IN THE CLAIMS

Please amend the claims as follows:

1.   (Currently Amended) A method comprising:

determining network parameters;

determining host interface parameters;

setting a storage threshold capacity of a storage device based on at least one
network parameter and at least one host interface parameter; and

transmitting a request to stop transmission of traffic to the storage device based on
the storage device exceeding the storage threshold capacity.

2.   (Original) The method of Claim 1, further comprising adjusting the storage
threshold capacity based on changes to a network parameter.

3.   (Original) The method of Claim 1, further comprising adjusting the storage
threshold capacity based on changes to a host interface parameter.

4.   (Currently Amended) The method of Claim 1, wherein the network parameters
parameter comprise a plurality of includes at least one of the following:

link speed of a network that transmits traffic to the storage device;

signal propagation speed of a physical medium that transfers traffic from the
network to the storage device;

length of the physical medium that transfers traffic; and

maximum frame size of packets in the traffic.

5.   (Currently Amended) The method of Claim 1, wherein the host interface
parameter comprises parameters comprise any of a local bus speed and number of bits that can
be transmitted through the bus in a single cycle.

6.   (Currently Amended) The method of Claim 1, wherein the storage threshold capacity comprises a difference between total storage capacity of the storage device to store traffic from a link partner and a safety margin and wherein the safety margin comprises:

(i) amount of bits that might be transmitted from the link partner while the request to stop transmission of traffic is prepared [[+]] plus;

(ii) amount of bits that might be transmitted from the link partner while the request to stop transmission of traffic is in transit to the link partner [[+]] plus;

(iii) amount of bits that might arrive to the storage device from the link partner while the link partner processes the request to stop transmission of traffic [[+]] plus;

(iv) amount of bits that the link partner might have transmitted while the link partner processes the request to stop transmission of traffic [[-]] minus;

(v) amount of bits drained from the storage device during (i) through (iv).

7.   (Original) The method of Claim 1 further comprising transmitting a request to allow transmission of traffic.

8.   (Original) An apparatus comprising:

a storage device to store received traffic; and

a controller to manage the transmission of traffic to the storage device, wherein the controller is configured to:

determine at least one network parameter;

determine at least one host interface parameter;

set a storage threshold capacity of the storage device based on at least one network parameter and at least one host interface parameter;

monitor storage conditions of a storage device; and

transmit a request to stop transmission of traffic based on the storage device exceeding the storage threshold capacity.

9.   (Original) The apparatus of Claim 8, further comprising a physical layer interface to transfer received traffic to the storage device.

10.   (Original) The apparatus of Claim 8, wherein the controller is further configured to perform media access control processing in compliance with IEEE 802.3x.

11.   (Original) The apparatus of Claim 8, wherein the controller is configured to adjust the storage threshold capacity based on changes to a network parameter.

12.   (Original) The apparatus of Claim 8, wherein the controller is configured to adjust the storage threshold capacity based on changes to a host interface parameter.

13.   (Currently Amended) The apparatus of Claim 8, wherein the network parameter comprises a plurality of ~~includes at least one of the following~~:

          link speed of a network that transmits traffic to the storage device;

          signal propagation speed of a physical medium that transfers traffic from the network to the storage device;

          length of the physical medium that transfers traffic; and

          maximum frame size of packets in the traffic.

14.   (Currently Amended) The apparatus of Claim 8, wherein the host interface parameter comprises ~~any of~~ a local bus speed and number of bits that can be transmitted through the bus in a single cycle.

15.   (Currently Amended) The apparatus of Claim 8, wherein the storage threshold capacity comprises a difference between total storage capacity and a safety margin and wherein total storage capacity of the storage device comprises the total storage capacity of the storage device to store traffic from a link partner and wherein the safety margin comprises:

          (i) amount of bits that might be transmitted from the link partner while the request to stop transmission of traffic is prepared [[+]] plus:

(ii) amount of bits that might be transmitted from the link partner while the request to stop transmission of traffic is in transit to the link partner [[+]] plus;

(iii) amount of bits that might arrive to the storage device from the link partner while the link partner processes the request to stop transmission of traffic [[+]] plus;

(iv) amount of bits that the link partner might have transmitted while the link partner processes the request to stop transmission of traffic [[-]] minus;

(v) amount of bits drained from the storage device during (i) through (iv).

16.   (Original) A system comprising:

a host system comprising a processor and a memory;

an interface;

a network interface device, the network interface device comprising:

    a storage device to store received traffic; and

    a controller to manage the transmission of traffic to the storage device, wherein the controller is configured to:

        determine at least one network parameter;

        determine at least one host interface parameter;

        set a storage threshold capacity of the storage device based on at least one network parameter and at least one host interface parameter;

        monitor storage conditions of a storage device; and

        transmit a request to stop transmission of traffic based on the storage device exceeding the storage threshold capacity.

17.   (Currently Amended) The system of Claim 16, wherein the interface is compatible with PCI (Peripheral Component Interconnect).

18.   (Currently Amended) The system of Claim 16, wherein the interface is compatible with PCI-x(Peripheral Component Interconnect-x).

19.   (Original) The system of Claim 16, further comprising a storage device coupled to
the interface.

20.   (New) The method of claim 1, wherein the network parameters correspond to a
network coupled to the storage device via a link partner that transmits traffic to the storage
device.